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## Housing

Data for the Housing section was acquired from several public and private sources, including the Minneapolis Public Housing Authority, Minneapolis Assessor's Office, Department of Regulatory Services, the Division of Inspections and various city agencies.

Basic inventory data, as well as information about housing condition and home purchase prices within the city, were provided by the Minneapolis Assessor's Office.

Contributors to the Housing Principles include the Assessor's Office, Division of Inspections, Minneapolis Public Housing Authority, Minneapolis Neighborhood Revitalization Program, Minneapolis Public Schools, the Office of Information and Technology Services, Minneapolis Community Development Agency, Office of the Mayor, Minneapolis Planning Commission and Minneapolis Planning Department.

The Minneapolis Public Housing Authority provided data on subsidized housing and housing assistance programs.

The Minneapolis Planning Department provided data on apartment rental costs within the city.

Permit files maintained by the Minneapolis Inspections Division were reviewed for new construction and demolition data.

Data sources provided by Northern States Power for housing vacancy and household mobility are no longer available to the city. Therefore, those sections will no longer be included in this chapter.

This chapter can also be found on the city's web site at: [www.ci.minneapolis.mn.us/planning](http://www.ci.minneapolis.mn.us/planning)

**Housing Inventory and Profile**  
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## Housing Inventory and Profile

The city is changing its data processing systems into a new format. Not all of the files from the previous system have been converted. As a result, not all files are available at this time; therefore, the 1999 housing inventory will be used again this year.

**The Minneapolis 1999 housing stock consisted of 103,439 residential structures containing 177,569 units. The City Assessor's records include an estimated: 77,660 single family detached homes; 8,193 single attached units (townhouse, condominiums, cooperatives); 25,286 duplex units; 7,575 apartments in structures with three or four units; and 58,855 apartments located in structures having five or more units. The 1999 housing profile shows that 80.4 percent of all residential structures in the city are owner-occupied. Single family detached homes make up the majority of homestead properties, and over three-quarters of the single attached units and one-half of the duplex structures are owner-occupied. The housing profile shows that**

**21.5 percent of the city's housing units are rated as below average. The City Assessor over the past four years has been working to establish a more standardized condition rating system. The age of residential buildings in the city reflects an older housing supply; 40 percent of the structures were built before 1920 and another 48 percent were built between 1920 and 1959, only 12 percent have been constructed since 1960.**

The following tables and maps highlight the city's housing inventory for 1999. The first table shows the total number and percent of residential units by various housing categories for the city as a whole and for each of the city's eleven communities. This inventory table is followed by a citywide housing profile which highlights the 1999 homestead status, condition rating for each housing category and an age profile of residential structures. This inventory is followed by a brief description and a distribution map for each housing category.

MINNEAPOLIS HOUSING INVENTORY, OCTOBER 1999  
By Number and Percent of Units

	Single Family Detached Units	Condo Townhouse Units	Duplex Units	Three/Four Units	Five or More Units	Total Units
Camden	9,913	140	1,178	176	944	12,351
Percent	80.3	1.1	9.5	1.4	7.7	
Northeast	8,424	144	5,222	779	2,717	17,286
Percent	48.7	0.8	30.2	4.5	15.8	
Near North	6,081	223	3,400	734	3,547	13,985
Percent	43.5	1.6	24.3	5.2	25.4	
Central	176	2,844	116	180	13,881	17,197
Percent	1.0	16.5	.7	1.1	80.7	
University	2,400	928	1,402	675	7,796	13,201
Percent	18.2	7.0	10.6	5.1	59.1	
Calhoun-Isles	4,228	1,253	1,894	1,155	9,169	17,699
Percent	23.9	7.1	10.7	6.5	51.8	
Powderhorn	8,340	1,129	4,594	2,175	8,871	25,109
Percent	33.2	4.5	18.3	8.7	35.3	
Phillips	1,159	470	1,864	700	4,266	8,459
Percent	13.7	5.6	22.0	8.3	50.4	
Longfellow	7,803	324	1,826	396	3,103	13,452
Percent	58.0	2.4	13.8	2.8	23.0	
Southwest	15,248	349	2,408	446	3,750	22,201
Percent	68.7	1.6	10.8	2.0	16.9	
Nokomis	13,888	389	1,382	159	811	16,629
Percent	83.5	2.3	8.3	1.0	4.9	
Minneapolis	77,660	8,193	25,286	7,575	58,855	177,569 *
Percent	43.7	4.6	14.2	4.3	33.2	

\* City-wide totals do not match the community totals because the inventories were completed on different days.

## MINNEAPOLIS HOUSING INVENTORY AND PROFILE, OCTOBER 1999

	Single Family Units	Condo, Townhouse Units	Duplex Units	Three/ Four Units	Five Or More Units	Total Units
Units						
Number	77,660	8,193	25,286	7,575	58,855	177,569
Percent	43.7	4.6	14.3	4.3	33.2	
Homestead Status*						
Number	68,862	6,530	6,901	740	124	83,157
Percent	88.7	79.7	54.6	35.2	4.4	80.4
Below Average**						
Number	14,228	60	10,816	3,593	9070	37,767
Unknown	266	916	40	12	848	2,082
Percent	18.4%	.8%	42.8	47.5	15.6%	21.5%
Age of Buildings						
Before 1920	27,835	2,283	8,493	1,584	852	41,047
Percent	35.8	27.9	67.2	75.3	30.0	39.7
1920-1959	44,568	610	3,460	384	829	49,851
Percent	57.4	7.4	27.4	18.2	29.2	48.2
1960 to Date	5,257	5,300	690	137	1,157	12,541
Percent	6.8	64.7	5.4	6.51	40.8	12.1
Total Buildings***	77,660	8,193	12,643	2,105	2,838	103,439

\* Calculations are for the number and percent of structures that are homesteads, counting the townhouse, coop and condo category as individual structures.

\*\* Calculations are for the percent of units classified as below average. The unknown category is, therefore, subtracted from the total unit count.

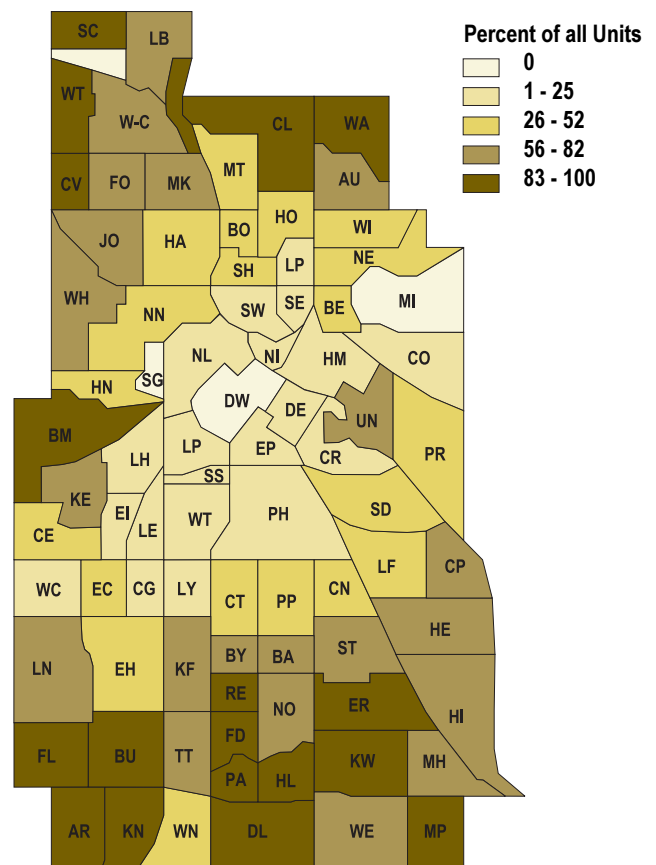
\*\*\* Citywide totals do not match the community totals because the inventories were completed on different days.

### Single Family Detached Housing

In 1999, the single family detached home remains the dominant residential structure in Minneapolis with 77,660 homes accounting for 43.7 percent of the total stock of housing in the city. The communities of Southwest (15,246), Nokomis (13,888), and Camden (9,913) provide one-half (50.3 percent) of all single family detached homes in the city. Home ownership remains very strong with 88.7 percent of single family detached homes owner-occupied. The housing condition data shows that 18.4 percent of the single family detached homes are considered below average. The age profile for single family detached houses shows that 35.8 percent were built before 1920 and only 6.8 percent have been built since 1960.

The following map indicates the distribution of single family detached housing in the city.

**SINGLE FAMILY HOMES AS A PERCENT OF ALL HOUSING UNITS, BY NEIGHBORHOOD, 1999**



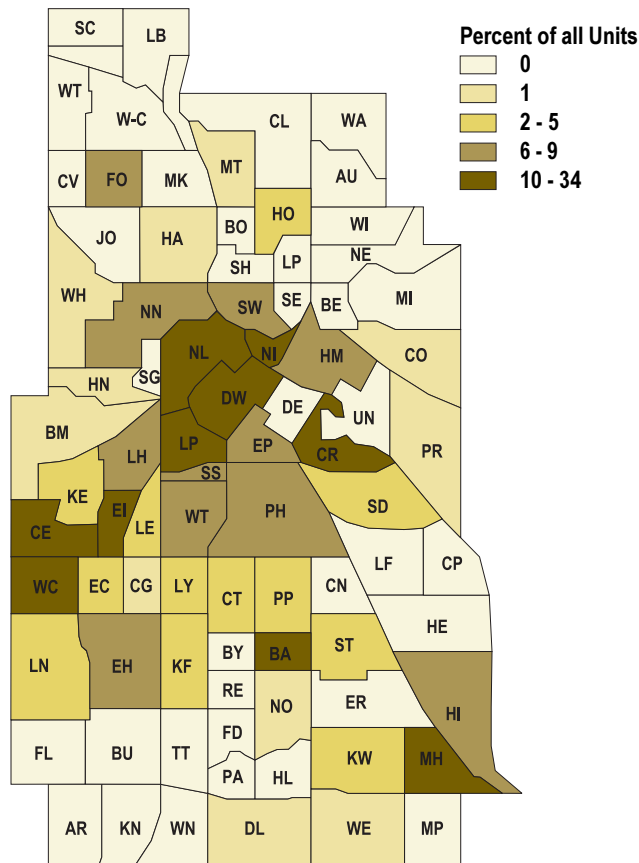
## Single Unit Attached Housing

(Townhouses, Condominiums and Cooperatives)

Single unit attached housing is the newest and fastest growing category in the housing stock. This category creates a classification problem in that each unit is counted as an individual structure even though some units are found in multi-unit buildings as well as townhouses. There are 8,193 single attached units in 1999 accounting for 4.6 percent of all housing units in the city. The four communities of Central, Calhoun-Isles, Powderhorn and University contain almost 75 percent of all single family attached units. Citywide, 79.7 percent of the single family attached units are owner-occupied. The housing condition data show less than one percent are classified as below average by the City Assessor. The condition rating system does not work well for this housing category, primarily because each unit is counted as a separate structure which results in many of the units classified as unknown. The year built profile for single family attached housing units is divided between old and new. Almost two-thirds (64.7 percent) of the single family attached units have been added since 1960, yet another 27.9 percent of the units were built prior to 1920. Most of the recently added units are either large buildings located in the downtown area or lower density townhouse developments located in a residential neighborhood.

The following map indicates the distribution of single family attached housing in the city.

**CONDOS, TOWNHOUSES AND CO-OPS AS A PERCENT OF ALL HOUSING UNITS, BY NEIGHBORHOOD, 1999**

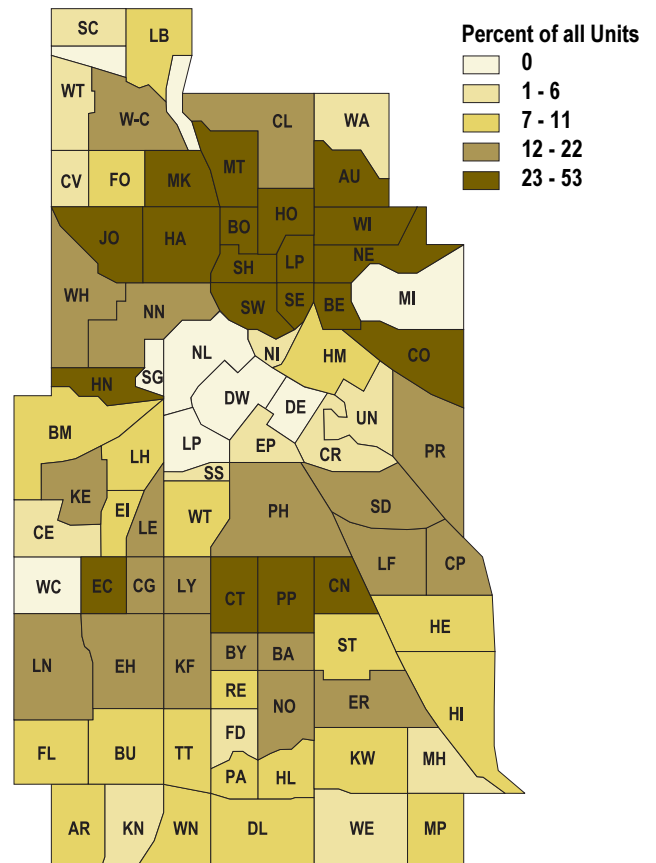


## Two-Unit Housing

Two-unit residential structures in 1999 make up 14 percent of the city's housing supply and account for 25,286 units. Over 60 percent of the duplex units are located in four communities, Northeast (5,222 units), Powderhorn (4,594 units), Near North (3,400 units) and Southwest (2,408 units). In 1999, the rate of owner-occupancy of duplex structures is 54.6 percent. A full two-thirds (67.0 percent) of the duplex structures were built prior to 1920, making them relatively old. Over 42 percent of the duplex properties are rated at below average condition. This high percentage of below average ratings reflect, in part, the age of these buildings.

The following map shows the distribution of two-unit housing in the city.

**DUPLEX UNITS AS A PERCENT OF ALL HOUSING UNITS, BY NEIGHBORHOOD, 1999**



### Triplex and Fourplex Housing

There are 7,575 dwelling units in residential buildings with three or four units, accounting for 4.3 percent of the city's total housing supply. Almost half (44.0 percent) of the city's small apartment buildings are located in just two communities, Powderhorn with 2,175 units and Calhoun-Isles with 1,155 units. Citywide, 35.2 percent of the small apartment buildings are owner-occupied. Age and condition are significant features for this housing category. Over 75 percent (75.3 percent) of these residential structures were built prior to 1920. The result of aging is that 47.5 percent are rated as below average. This category of housing has also decreased numerically over the last few years in an effort to reduce residential blight in the neighborhoods. Replacement units have generally been in the form of attached units, mainly new townhouse developments located within residential neighborhoods.

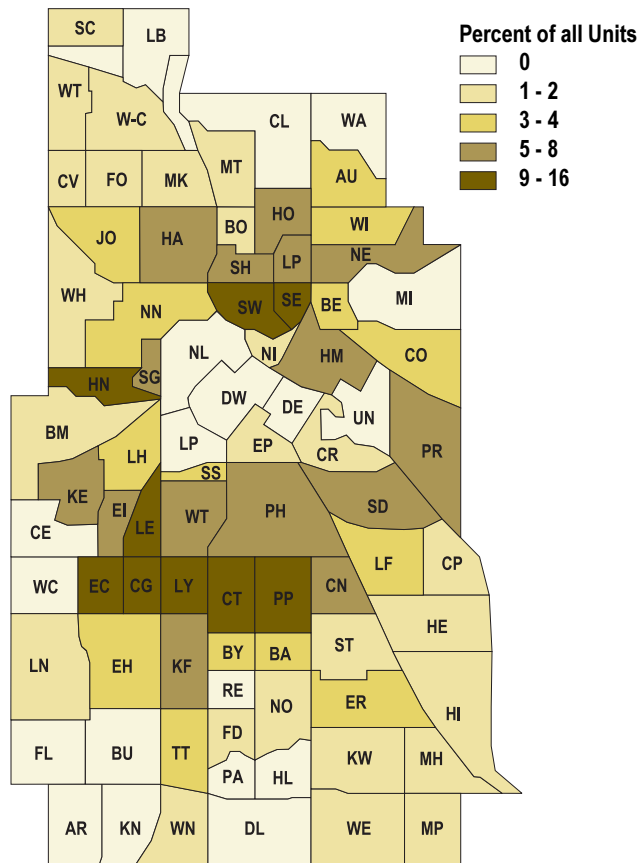
The following map shows the distribution of small apartment buildings by neighborhood.

### Five or More Unit Housing

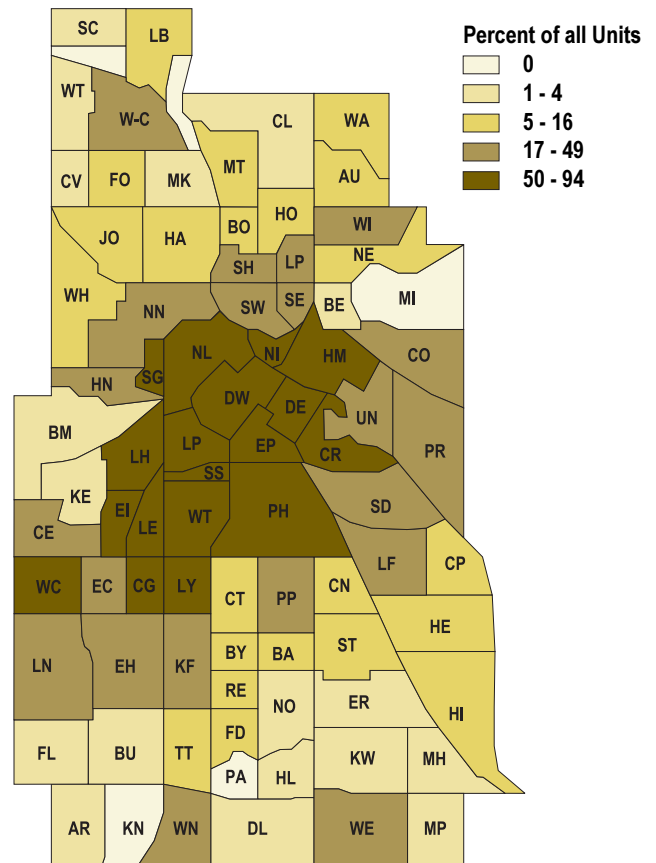
There are 58,855 apartment units located in 2,839 residential buildings which contain five or more units. The apartment category supplies one-third of all housing units in the city. Two-thirds of the city's apartment units in larger buildings are located in four communities surrounding the downtown central business district: Central (13,881 units); Calhoun-Isles (9,169 units); Powderhorn (8,871 units); and University (7,796 units). The housing condition data show 15.6 percent of the apartment units located in larger buildings are classified as below average. The age profile for this residential category shows that 40.8 percent of the city's apartments have been added since 1960. Most of the recently added units are either large buildings located in or near the downtown area, or lower density townhouse developments located in a lower density residential neighborhood. In addition, 30 percent of this housing category includes many older apartment buildings constructed prior to 1920. These older buildings are often in poor condition and need serious reinvestment to make them competitive with newer, more modern apartment buildings.

The following map indicates the density of apartment units located in each neighborhood.

**UNITS LOCATED IN THREE AND FOUR UNIT BUILDINGS  
AS A PERCENT OF ALL HOUSING UNITS,  
BY NEIGHBORHOOD, 1999**



**UNITS LOCATED IN FIVE OR MORE UNIT BUILDINGS  
AS A PERCENT OF ALL HOUSING UNITS,  
BY NEIGHBORHOOD, 1999**





## Housing Principles and Achievement Goals

The city adopted four housing principles in 1995 which are now included as part of the city's Plan. The four principles are summarized below in short form. The full resolution contains more specific direction for policy and strategy development.

- The variety of housing types throughout the city, its communities, and the metropolitan area shall be increased, giving prospective buyers and renters greater choice in where they live.
- The management, quality and balance of subsidized housing throughout the city and the Metro Area shall be improved.
- Housing markets that are already strong shall be preserved and strengthened.

- The quality of Minneapolis housing stock shall be improved.

As a way to determine the city's success in implementing these adopted Housing Principles, it was necessary to identify key indicators that are easily measurable with statistics that are readily available. Over the past few years these data elements have been monitored. The tables reflect four years of data to compare to the historical trend and to match with the achievement goals. The data is encouraging and shows that the city's homestead status has been improving and that housing investment remains very strong. We will continue to monitor the following impact measures over time to identify the city's success in implementing its housing principles.

### DATA ELEMENT: TOTAL NUMBER OF OWNER-OCCUPIED RESIDENTIAL STRUCTURES

Data Element	Trend Data (Actual)				Baseline	Achievement			Achievement Goals		
Description	1993	1994	1995	1996	Data	1997	1998	1999	2000	2005	2010
Total Residential Homestead	82,909	85,279	84,518	84,352	84,518	85,234	85,264	86,619	86,208	88,743	N/A
Single Family Detached	67,188	68,701	68,153	69,764	68,153	69,052	69,146	69,153	69,516	71,560	N/A
Single Family Attached	8,213	8,665	8,722	6,931	8,722	8,104	8,056	9,444	8,896	9,158	N/A
Duplex /Triplex	7,171	7,472	7,220	7,153	7,220	7,372	7,524	7,503	7,364	7,581	N/A
Apartments	337	441	423	504	423	533	538	519	432	444	N/A

Data Source: City Assessor's records

### DATA ELEMENT: AGGREGATE MARKET VALUES OF RESIDENTIAL PROPERTIES (IN MILLIONS OF DOLLARS)

Data Element	Trend Data (Actual)				Baseline	Achievement			Achievement Goals		
Description	1993	1994	1995	1996	Data	1997	1998	1999	2000	2005	2010
Total Residential Value	8,660	8,740	8,800	9,095	8,800	9,775	10,530	11,956	10,100	11,900	N/A
All Residential Non-Apartment	7,480	7,610	7,700	7,930	7,700	8,600	9,218	10,147	9,000	10,700	N/A
All Residential Apartment	1,180	1,130	1,100	1,166	1,100	1,175	1,312	1,809	1,100	1,200	N/A

Data Source: City Assessor's records

### DATA ELEMENT: VALUE OF COMPLETED PERMITS FOR ALL RESIDENTIAL PROPERTY (IN MILLIONS OF DOLLARS)

Data Element	Trend Data (Actual)				Baseline	Achievement			Achievement Goals		
Description	1993	1994	1995	1996	Data	1997	1998	1999	2000	2005	2010
Total Residential Value	104	240	173	134	161	143	183	147	209	258	N/A
Single Family	76	180	124	110	119	118	149	122	153	189	N/A
Duplex	10	43	12	9	19	9	13	6	25	30	N/A
Triplex	1	2	2	1	2	1	1	1	3	3	N/A
Multi Family	16	16	35	14	21	15	20	18	27	34	N/A

Data Source: Property Management System & Inspections

### DATA ELEMENT: VALUE OF COMPLETED PERMITS FOR ALL EXISTING RESIDENTIAL PROPERTY (IN MILLIONS OF DOLLARS)

Data Element	Trend Data (Actual)				Baseline	Achievement			Achievement Goals		
Description	1993	1994	1995	1996	Data	1997	1998	1999	2000	2005	2010
Total Residential Value	90	189	148	105	135	121	157	146	174	214	N/A
Single Family	68	136	101	82	98	96	123	121	128	157	N/A
Duplex	8	41	9	9	17	9	13	6	22	27	N/A
Triplex	1	1	1	1	1	1	1	1	1	1	N/A
Multi Family	12	12	35	13	18	15	20	18	23	29	N/A

Data Source: Property Management System & Inspections





### • Residential Homestead Status

The residential homestead status relates to the Housing Principle that speaks of preserving and strengthening housing markets. A high level of owner-occupancy in a neighborhood can be directly related to investment in properties and appreciation of their values.

The 1999 data reflect a fairly strong growth in owner-occupied units since the baseline was set in 1996. The City Assessor's records indicate there were 86,619 total residential homestead properties in Minneapolis in 1999. This figure exceeds the year 2000 achievement goal slightly and appears to be driven by an increase in all residential categories.

### • Residential Property Values

Increasing property values are critical to achieving Housing Principles Three and Four which relate to strengthening housing markets and improving the quality of the city's housing stock. As the housing stock ages, it is important that owners maintain their property and that they can be confident that making improvements to their property is economically justified. Homes represent the largest single investment that most people make. Their confidence that the investment will be increasing in value over time is essential in achieving the Housing Principles.

The 1999 property values show a very strong upward trend since establishing the baseline in 1996. In part, the growth in property values reflect the strong economy but also reflect the very strong housing demand generated by the regional population and job growth.

### • Real Estate Investment

The outcome measures for increased real estate investment through completed residential permits relate directly to the city's Housing Principles in that they demonstrate a willingness on the part of owners to invest in their property. This investment indicates a commitment to stay and a belief that there will be a return on that investment when the property is sold. Increased investment will lead to still further investment as more structures are properly maintained and also improved. Increased residential permit activity will indicate whether we are preserving and strengthening our housing market. The first chart shows the dollar valuation for permits issued for all housing, including new construction permits, while the second chart shows the dollar valuation for permits issued only for existing housing, excluding new construction permits.

The 1999 permit data appears incomplete at this time. The records system used by the Inspections Department is in the process of being revised and the data system cannot retrieve the same subsets of information that were used to establish the baseline data in 1996. Hopefully, by next year the data files will be complete and a comparison will be possible at that time.

The City Assessor's Office has the responsibility for maintaining property descriptions on all parcels in the city as a basis for estimating their market values for tax purposes. The condition rating is a qualitative factor that is one of the variables used in valuing properties. With the implementation of an automated valuation system, a comprehensive review was made of all condition ratings. The result of that review is that during 1996 and 1999 all properties were viewed from at least the exterior, and the condition ratings updated. It had been an extended period of time since a similar project was done on a citywide basis.

Therefore, the appropriate "base line" information would appear in 1997, encompassing 77 of the city's residential neighborhoods, and the 1998 assessment year which included all residential properties. Caution should be used in making conclusions about trends that have occurred up until the base year due to the possibility of using outdated information in years 1996 and earlier.

The 1999 property management files show that 21.5 percent of all Minneapolis housing units were located in structures classified below average. In 1999, the Minneapolis housing inventory based on the City Assessor's regular assessment of all city residential structures, saw a continued change in condition rating as shown in the following table.

The following table shows the change in housing conditions for each housing category over the past four years. The number of single family detached units classified below average increased to 18.4 percent. The 1999 data show 14,228 single family detached units were classified below average, compared to 13,865 in 1998.

Over one-third (42.8 percent) of all units in duplex structures are currently rated below average. The number of units classified below average increased to 10,816 in 1999.

Small apartment buildings with three or four units also have a large percentage of below average units, at 47.5 percent in 1999. This represents a significant increase over the 1995 figure, again showing the city's emphasis on improving its classification system.

Apartment buildings with five or more units contribute 9,070 below average units, which is 15.6 percent for this housing category. The 1999 data show a six percent reduction in units rated as below average condition compared to 1998 figures. This reduction reflects, in part, the new units added to the city's multi-family inventory.

Minneapolis housing condition is based on the Minneapolis City Assessor's regular assessment of all residential structures in the city. The definitions used for the new categories are listed below. Generally, the need

for rehabilitation is associated with parcels classified as Condition 6 or higher. As the condition rating system becomes more standardized, the City Assessor's Office will be able to adjust and refine their definitions to help identify the type and extent of rehabilitation that may be necessary within each condition classification.

The table below provides a comparison of the estimated number of units identified in each housing category as average or above, below average, those without a classification and the percent rated below average, for the years 1996 through 1999.

The following map shows the percentage of all housing units in each neighborhood rated below average at year end 1999.

#### HOUSING CONDITION 1996 - 1999

##### Single Family Detached Units

Condition	1996	1997	1998	1999
Average or Above	65,726	63,705	63,487	63,166
Below Average	11,268	13,469	13,865	14,228
Unknown	466	279	296	266
Percent Below Average	4.6%	17.5%	17.9%	18.4%

##### Single Family Attached Units (Condominium, Cooperative and Townhouse Units)

	1996	1997	1998	1999
Average or Above	6,836	6,913	7,072	7,217
Below Average	36	46	41	60
Unknown	3,271	1,107	970	916
Percent Below Average	.5%	.7%	.6%	.8%

##### Units in Two Unit Structures

	1996	1997	1998	1999
Average or Above	17,382	15,890	15,664	14,430
Below Average	7,918	9,208	9,222	10,816
Unknown	72	42	42	40
Percent Below Average	31.3%	36.7%	37.1%	42.8%

##### Units in Three and Four Unit Structures

	1996	1997	1998	1999
Average or Above	4,841	4,566	4,340	3,970
Below Average	2,841	3,211	3,485	3,593
Unknown	12	12	12	12
Percent Below Average	37.0%	41.3%	44.7%	47.5%

##### Units in Five and More Unit Structures

	1996	1997	1998	1999
Average or Above	48,449	47,992	47,546	48,937
Below Average	8,232	9,311	9,644	9,070
Unknown	1,027	810	1,113	848
Percent Below Average	14.5%	16.3%	16.9%	15.6%

##### Units in All Structures

	1996	1997	1998	1999
Average or Above	143,234	138,966	138,085	137,720
Below Average	30,295	35,245	36,257	37,767
Unknown	4,844	2,250	2,433	2,082
Percent Below Average	17.5%	20.2%	20.8%	21.5%
Total Number of Units	178,373	176,461	176,775	177,569

#### The Condition Rating System

The following definitions of the condition rating classifications were adapted from the former classification system.

##### Condition 1, Excellent; Condition 2, Very Good; Condition 3, Good

The top three classifications represent a well built house with no observable maintenance requirements. Everything is in perfect condition.

##### Condition 4, Average Plus

This classification represents houses with no observable defects in structure and only minor maintenance requirements such as small plaster or stucco cracks. Minor wear and tear on woodwork and cabinets may be noticeable, and it may need some paint or shingles, but no maintenance items have yet been deferred to the point where permanent damage exists.

##### Condition 5, Average

This is the midway range in the condition category and represents the largest grouping. The assumption is that the average structure is in satisfactory condition and is a desirable property as living or working quarters. The maintenance requirements are being satisfactorily covered and the buildings are perfectly salable "as is". No major defects or maintenance requirements are observable, but a considerable number of minor items can be seen. Many items such as the roof, plumbing, heating, windows, cabinet work and exterior are showing some deterioration but are still reliable and not in need of immediate replacement.

##### Condition 6, Average Minus

##### Condition 7, Fair

These classifications represent houses that have considerable deferred maintenance, with permanent damage to structural items, such as roofline sagging or cracks in basement foundation beginning to show. Windows, window frames and sills may be deteriorating from water in the wood. Floors and roof may have some sag. Plaster may have some water stains or damage. The foundation has cracks, but no major settling. Considerable wear and tear on woodwork and cabinets may be noticeable and cabinets should probably be replaced. Heating and plumbing are beginning to show considerable wear and may be unreliable.

##### Condition 8, Poor

The last two classifications represent houses which show considerable damage to major structural items. The foundation has large cracks and settling may be substantial. Substantial settling may be noticeable in floors, with doors and windows no longer square. Rotting wood, large plaster and stucco cracks may be observable in several places. Heating and plumbing is unreliable. House is still habitable, but probably beyond the present occupant's capacity to restore it or even maintain it.





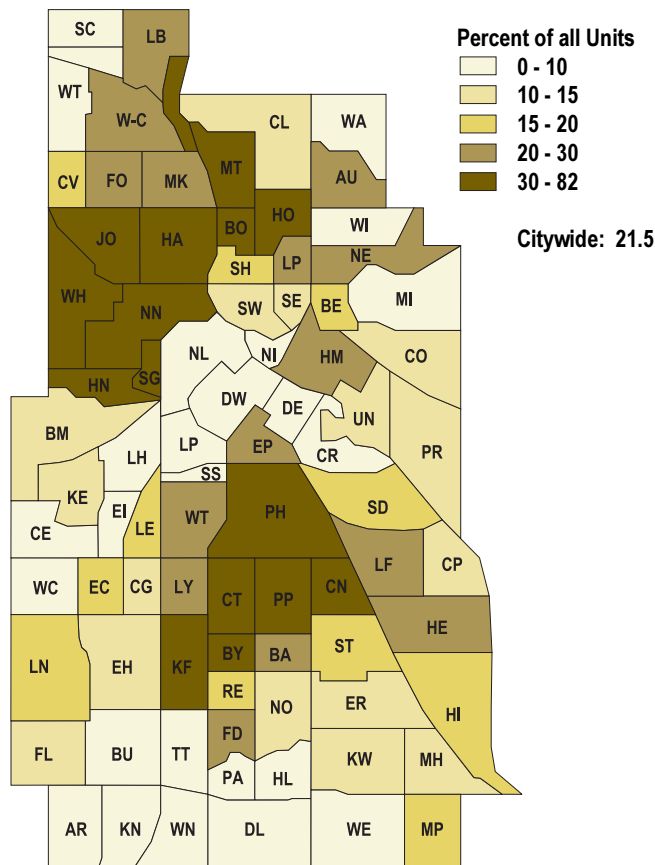
## Construction and Demolition

### Condition 9, Bad

These houses are condemned and uninhabitable.

The following map shows the percentage of all housing units in each neighborhood rated below average at year end 1999.

PERCENT OF ALL HOUSING UNITS RATED  
BELOW AVERAGE, BY NEIGHBORHOOD, 1999  
(Condition Rating 6 - 9)



New residential construction permits were issued for 347 housing units in 2000. There was a net gain of 281 housing units in 1999, the largest in five years. Much of the new residential construction occurred in larger apartment buildings located along the downtown riverfront and near the University area. Residential wrecking permits were issued for 437 housing units in 2000. Much of the removal came with the public projects funded in prior years. These public projects include school development, flood pond development and the demolition of Public Housing units.

Construction permit data indicate a proposed addition of 347 housing units during 2000. New residential construction permits were issued to build 93 single family detached homes plus 31 units in smaller apartment structures.

Residential wrecking permits were issued for the removal of 437 residential units during 2000. During 2000 public projects continued to contribute to this significant amount of demolitions. Wrecking permits were issued for the removal of 171 single family detached structures and 71 duplex and smaller apartment buildings with three or four units. There were also 195 apartment units removed in multi-family structures.

### CONSTRUCTION/DEMOLITION, YEAR END 1996 - 2000

#### Construction Permits

(Units Added)	1996	1997	1998	1999	2000
Single Family	79	97	83	80	93
Townhouse	-	18	27	28	0
2,3,4-unit	4	17	30	30	31
5+ unit Rental	44	395	217	856	223
Condominium	-	-	-	-	-
Total Units Added	127	527	357	994	347

#### Demolition Permits (Units Removed)

Single Family	147	121	197	274	171
2,3,4-unit	204	158	224	222	71
5+ unit	73	211	324	217	195
Total Units Removed	424	490	745	713	437

Net Change in Units -297 +37 -388 +281 -90



## Home Prices

Home sales data for the first quarter of 2000 reflect a significant increase in sales prices over the past five years. Average single family sales prices increased 13 percent over last year and by 26 percent since 1997. The median sale price for a single family home in the city increased by 44 percent since 1997. First quarter 2000 saw the average sale price for a single family detached home increase to \$134,860 dollars. Median sale price for a single family detached home in Minneapolis rose to \$118,000, a 20 percent increase over last year. Sales volume increased to 849 homes sold in the first quarter compared to 749 for the same period in 1999. Continued regional growth continues to drive a strong economy and our high employment. The relatively lower mortgage interest rates also contribute to this very strong housing demand within Minneapolis.

Home sale prices presented in this section represent a sample of detached single family home sales within Minneapolis. Prices reflect sales occurring during the first quarter of the past four years. Sales data represent unverified and unadjusted prices reported on certificates of value submitted to the Hennepin County Property Taxation Department.

The average sale price of a Minneapolis single family detached home sold during the first quarter of 2000 was

\$134,860. This reflects a 12.9 percent increase and is the fifth consecutive year that Minneapolis' average sales price exceeded \$100,000. The median sale price for a single family detached home increased by 20.7 percent to \$118,000 in the first quarter of 2000. The high prices continue to reflect the strong regional demand for housing. The volume of single family detached home sales increased to 849 sales for the first quarter of 2000.

Community data show that the median sale price ranged from \$72,250 for the Near North Community to more than \$200,000 in the Calhoun-Isles Community. Three communities reported a median sale price at or above the citywide median. Five communities reported lower than citywide median sale prices. Three communities reported an insufficient number of detached single family sales for reporting purposes.

### FIRST QUARTER SINGLE FAMILY HOME SALES 1997 - 2000

	1997	1998	1999	2000
Median Price*	\$82,148	\$89,000	\$97,750	\$118,000
Average Price*	\$107,123	\$109,425	119,447	\$134,860
Number of Reported Sales	838	867	784	849

### FIRST QUARTER SINGLE FAMILY HOME SALE PRICES BY COMMUNITY 1997 - 2000\*

Community	Average Price				Median Price			
	1997	1998	1999	2000	1997	1998	1999	2000
Camden	\$62,660	\$67,708	\$74,079	\$95,515	\$59,900	\$67,950	\$74,900	\$94,250
Northeast	75,434	78,900	89,646	\$89,646	75,250	79,500	89,900	\$103,785
Near North	53,917	59,133	60,254	\$70,977	44,974	54,950	62,450	\$72,250
Central**	NA	NA	NA	NA	NA	NA	NA	NA
University**	NA	NA	NA	NA	NA	NA	NA	NA
Calhoun-Isles	332,937	225,520	335,317	\$291,029	245,900	186,000	300,000	\$210,500
Powderhorn	64,839	71,615	78,968	\$95,377	67,000	72,590	75,000	\$92,900
Phillips**	NA	NA	NA	NA	NA	NA	NA	NA
Longfellow	80,796	85,353	107,966	\$109,616	72,500	81,950	85,353	\$104,500
Southwest	161,861	161,914	170,180	\$199,673	124,200	138,375	152,200	\$173,500
Nokomis	95,229	103,120	115,567	\$136,523	90,200	95,000	109,950	\$133,650

\* All figures reflect current dollars unadjusted for inflation.

\*\*These communities reported an insufficient number of single family home sales.



## Rental Costs

Average apartment rents continued to move up during the first half of 2000. Average rent for a Minneapolis apartment increased to \$671 dollars, an increase of 10.7 percent for the first half of 2000. Rental survey data show rental costs increased for all unit types. Small studio/efficiency apartments indicate a 15.0 percent increase. One bedroom apartments increased by 8.7 percentage points. Large apartments with two or more bedrooms moved 15.0 percent higher than the first half of 1999. Median rental costs increased to \$625, an 8.7 percent increase over the 1999 first half median. By comparison, average rents have increased by 32 percent since 1997.

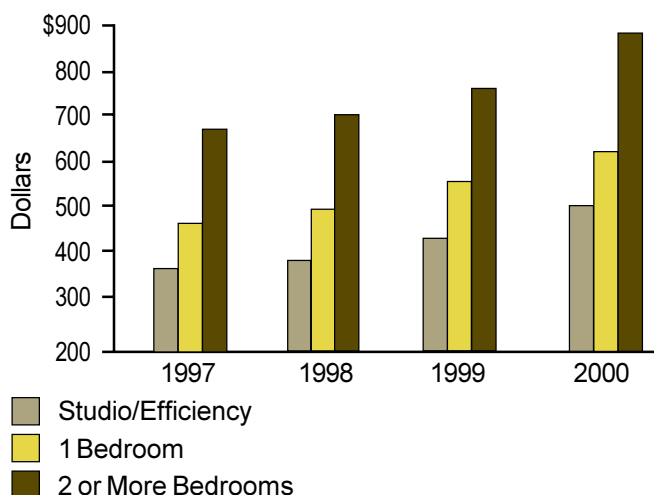
Apartment rental costs are measured using a sample survey of advertisements taken from the Sunday editions of the Minneapolis Star Tribune. Rents are reported for studio/efficiency, one bedroom, and two or more bedroom apartments. Numbers reported reflect rents during the first six months of 2000. Sample size in this report is about 15 percent of the total.

The average advertised rent for Minneapolis apartments increased to \$671 dollars, a 10.7 percent increase from the first half of 1999. Average rents ranged from \$507 for a studio/efficiency unit to \$622 for a one bedroom unit, and \$888 for units with two or more bedrooms. Median rental costs moved up to \$625 in the first half of 2000. Affordability, housing condition and neighborhood livability remain top concerns for most renters, particularly for families with children who have very limited income and, therefore, very limited choice of housing.

### FIRST HALF AVERAGE APARTMENT RENTS, 1997 - 2000

Apartment Type	1997	1998	1999	2000
All Apartments	\$507	\$536	\$606	\$671
Studio/Efficiency	381	390	441	507
One Bedroom	476	502	572	622
Two or More Bedrooms	674	704	772	888
Median All Apartments	475	495	575	625

### AVERAGE MINNEAPOLIS APARTMENT RENT, 1997 - 2000 (Mid-Year Survey Data)



## Publicly-Owned Rental Housing

The Minneapolis Public Housing Authority (MPHA) revised its mission statement in 2000 to more clearly identify the organization's future focus: The mission of the Minneapolis Public Housing Authority (MPHA) is to promote and deliver quality, well-managed homes to a diverse low-income population, and as a valued partner, contribute to the well-being of the individuals, families and community we serve. In 2000, MPHA provided quality, affordable housing for nearly 20,000 men, women and children through its public housing, Section 8 rental assistance and homeownership programs.

In January 2000, the U. S. Department of Housing and Urban Development designated MPHA for the third consecutive year to be one of the country's highest rated housing authorities based on the agency's outstanding performance in 1999. During a recognition ceremony in Washington, D.C., HUD Secretary Andrew Cuomo singled out MPHA among the country's 3,200 public housing authorities for its exemplary performance.

An inventory of publicly owned housing in Minneapolis reveals that the Minneapolis Public Housing Authority owns and manages 5,762 public housing units throughout the city. There are 4,856 units in 40 high-rise, mid-rise and low-rise apartment buildings. Also, there are 199 townhome apartments in the Glendale family development in Prospect Park near the University of Minnesota, and 707 scattered-site, single family homes.

There are 5,908 individuals and families on the agency's public housing waiting list. In light of the affordable housing crunch in Minneapolis and the Twin Cities, MPHA is doing its job to ensure that what housing is available is utilized as fully as possible. As of October 2000, MPHA had maintained 99 percent occupancy of all of its available units for 59 straight months, compared with a national occupancy rate of 89 percent.

MPHA administered some 3,500 Section 8 certificates and vouchers during 2000. The agency also completed a complete reorganization of its Section 8 department and operations, including a new management team. The agency now has more than 4,000 families on its Section 8 waiting list. MPHA's Section 8 utilization rate is at 89 percent compared with the national utilization rate of 86 percent.

### Home Ownership

The Minneapolis Public Housing Authority further increased home ownership in Minneapolis by providing home ownership opportunities to eligible public housing and Section 8 families through its two home buying programs. MPHA initiated its Home Ownership Made Easy (HOME) Program in January 1993. Since that

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time, more than 650 families have participated in home ownership educational counseling, and 119 families have become first-time homeowners by purchasing their own homes.

At the request of Mayor Sharon Sayles Belton, the Minneapolis Public Housing Authority developed a national demonstration program to utilize Section 8 rent assistance funding from HUD to assist 50 current Minneapolis Section 8 families in becoming home owners. HUD approved the program in 1998, making MPHA the first and only housing authority in the country to offer such an innovative approach. The program, Moving Home, was introduced in September 1998, and the first family to successfully go through the program purchased their own home in north Minneapolis in June 2000.

The Department of Housing and Urban Development (HUD) introduced the Comprehensive Grant Program in 1992 through which funding for capital and management improvements could be provided to housing authorities across the country. This funding has enabled MPHA to embark on the most ambitious and comprehensive modernization of public housing in the city's history.

Since initiating its Comprehensive Grant Program, Minneapolis has received \$136.5 million in capital and management improvements funding for projects throughout the city. More than \$121 million in work has already been completed. This includes the renovation of all 40 highrise buildings and the rehabilitation of nearly all scattered-site homes. MPHA's capital improvements program is impacting dozens of neighborhoods throughout Minneapolis. As of 2000, MPHA had earned \$200,000 in utility rebates as a result of the agency's national-award winning energy management and conservation program.

MPHA now has seven of its apartment buildings (with more than 1,400 apartments) reserved for older adults, with four sites that offer assisted living programs for elderly and frail adults. This is considered the premiere such public housing program for seniors in the country. MPHA earned a \$1.4 million Public Housing Drug Elimination Program grant in 2000 to continue making public housing safer and more drug-free.

As required by the 1998 Quality Housing and Work Responsibility Act (QHWRA) passed by Congress and signed by President Clinton, MPHA completed its first ever annual "Agency Plan" in 2000 after an extensive resident review and comment period. MPHA also developed and approved its first every five-year strategic plan in 2000, resulting in part with the agency's new mission statement.

### **Expanding Metropolitan Housing Opportunities**

A class action lawsuit was filed in the summer of 1992 against MPHA, the City of Minneapolis, the Minneapolis Community Development Agency and HUD alleging racial discrimination in the administration of public housing and Section 8 rental assistance programs in Minneapolis. The plaintiffs and defendants reached a settlement in January, 1995 which was approved by the Federal Court in Minneapolis in April, 1995.

The following is a brief recap of the key components of that settlement in light of the progress achieved through the implementation of that settlement:

- 222 replacement public housing units completed and readied for occupancy in Minneapolis (88) and suburban communities (142).
- The HousingLink, the metro area's first clearing-house on affordable housing, now in full operation.
- The master plan for the redevelopment of the city's near northside into a mixed-income community with 900 new housing units was approved in 2000 and a community groundbreaking ceremony held on October 2, 2000.
- Successful relocation of all families from Sumner-Olson and Glenwood-Lyndale completed with nearly one-fifth of these families becoming first-time homeowners.

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**TOTAL PUBLICLY SUBSIDIZED RENTAL HOUSING 1999**  
(Publicly owned and Subsidized, as of December 1999)

	Publicly owned		Subsidized		Total	
	Family/General Occupancy	Elderly/General Occupancy	Family/General Occupancy	Elderly/Special Needs	Family/General Occupancy	Elderly/Special Needs
Camden	0	251	0	6	0	257
Northeast	0	943	17	4	17	947
Near North	0	644	588	8	588	652
Central	0	964	608	1,006	608	1,970
University	182	539	884	205	1,066	744
Calhoun-Isles	0	0	16	0	16	0
Phillips	0	664	334	568	334	1,232
Powderhorn	0	533	341	14	341	547
Longfellow	0	317	676	302	676	619
Southwest	0	0	12	4	12	4
Nokomis	0	0	30	36	30	36
Scattered Site	730	0	0	0	730	0
(Section 8)	0	0	3,600	0	3,600	0
Sub Total	912	4,855	7,106	2,153	8,018	7,008
<b>Total Publicly owned</b>		<b>5,767</b>				
<b>Total Subsidized</b>				<b>9,259</b>		
<b>TOTAL</b>						<b>15,026</b>